

**MINUTES OF THE REGULAR MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
March 20 and 21, 2002**

The regular meeting of the Washington State Transportation Commission was called to order at 9:00 a.m., on March 20, 2002, in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present were: Chris Marr, Ed Barnes, Aubrey Davis, Elmira Forner, George Kargianis, A. Michèle Maher and Connie Niva.

APPROVAL OF MINUTES

The approval of the minutes was deferred to the next meeting.

TRANSPORTATION COMMISSION ADMINISTRATOR REPORT

Chris Rose, Transportation Commission Administrator, discussed legislation passed during the 2002 legislative session, focusing specifically on the Commission's responsibility. Commissioner Marr indicated that the Commission has a fiscal year 2002 agenda work plan and that the Commission should focus on developing future work plans giving consideration to the Commission's role, achievements and new responsibilities.

Mr. Rose reported that on June 7, from 10:00 a.m. to 1:00 p.m., the Olympic Region with the Peninsula Regional Transportation Planning Organization (RTPO), is hosting a tour of the Hood Canal Bridge. The program will begin with a short presentation followed by a bus ride and tour of the bridge.

Mr. Rose passed out a handout titled "Proposed Budget Reduction" for the Commission for fiscal year 2003. At the previous Commission meeting, Commissioner Marr asked Mr. Rose to look at the budget and come up with a 5% reduction without impacting the Commission's ability to do its job. The Commission discussed the proposal and indicated as general concurrence. Mr. Rose stated that \$19,000 of the Commission's budget could be set aside.

OFFICE OF THE SECRETARY REPORTS

Secretary MacDonald requested Don Whitehouse, Regional Administrator, South Central Region, to provide an update on the snowfall on Snoqualmie Pass. Mr. Whitehouse reported that two natural avalanches covered the road that day. He described the activities being taken by the Department to open the pass and keep the employees and the public safe.

Don Senn, Regional Administrator, North Central Region, also reported on

snowfall on Stevens Pass and the action being taken to keep the highway open.

Secretary MacDonald reported that two new people have joined the Department. He indicated that Ashley Probart, the new Planning Director and Kemit Wooden, the new Human Resources Director, would be introduced at the next regular Commission meeting. Secretary MacDonald indicated that Mr. Probart's first assignment would be to develop a vision for the Planning Office. Mr. Wooden's most important tasks will be managing the Human Resources Office's business functions, including payroll, up-to-date payroll and personnel records, and ensuring the effectiveness of staff development training programs.

Secretary MacDonald indicated that the Department is presently recruiting for three more positions: the Federal Liaison, Assistant Secretary, Administration and Support, and Washington State Ferries Finance Director.

Secretary MacDonald discussed a tracking spreadsheet of employment levels report indicating the number of Washington State Department Of Transportation (WSDOT) employees. This spreadsheet will be used as a tool to manage the work force, and make sure that the Department is not adding employees without carefully thinking of how existing staff might be used instead. The growth in the Department had been in the Northwest Region and Washington State Ferries in the past couple of years. Commissioner Barnes asked for a breakdown of employment levels by region.

Secretary MacDonald discussed legislation recently passed that effects the Department. The Department will bring the Commission up-to-date on a program-by-program basis at the April Commission meeting. The report will include plans, spending and outcome expectations for each program to the end of the biennium.

Secretary MacDonald discussed the legislation passed allowing the establishment of regional transportation origination for the Central Puget Sound.

URBAN CORRIDOR PROGRAM UPDATE

Dave Dye, Urban Corridors Administrator, discussed the 2002 budget impact on the urban corridors. The current law budget does not include any new monies, however, the law does allow flexibility to allocate monies from one project to another. Commissioner Barnes inquired whether or not emergency funding was available that could be applied to the Alaskan Way Viaduct or the Trans Lake Washington project, if necessary. Mr. Dye indicated the Department would address that issue with the Commission at the April meeting.

Craig Stone, Urban Projects Director, Urban Corridors Office, provided an update on SR-509 and I-405. Mr. Stone indicated that SR 509 would have six miles of improvement on I-5 as well as provide a south access to SeaTac International Airport. The current year cost estimate for this project is \$700 million. Currently, \$7.7 million has been allocated. The costs are being scrutinized through a cost estimate valuation process. Mr. Stone indicated

that the Department has completed a draft environmental impact statement. The Department is working on permits and reviewing mitigation elements. Then the Department will stage the construction, coordinate property purchases and relocate houses and businesses. The project budget will be determined by the design build construction plans.

Mr. Stone indicated that the Department plans to issue the final Environmental Impact Statement (EIS) in May 2002. The final EIS defines the Department's project plans and 20-year vision for the corridor. After the EIS decision is recorded, the next steps are project level design and environmental work. The Legislature provided \$1.77 billion toward this project. Secretary MacDonald indicated that the I-405 project does not have a financial plan.

Mike Cotton, Public Transportation and Rail Engineering Manager, provided an update on Sound Transit's regional program, which utilizes the Department's highways.

BRIEFING ON PROPOSED DESIGNATION OF NEAH BAY SCENIC BYWAY AS STATE SCENIC BYWAY

Paula Connelley, Scenic Byway Lead, Heritage Corridors Program, discussed the Makah Tribal Council's request for state scenic byway designation to for certain tribal roads. Neah Bay was designated a scenic byway on January 2, 2002, by a tribal resolution. The tribal council plans to apply for a Federal Year 2003 corridor Management Planning Grant. With official state designation, the Makah Tribe will gain access to corridor management funds. These funds are only available to routes that are officially recognized as part of the state scenic byway system. Next month, the Department will ask for a resolution from the Commission to designate the Neah Bay scenic byway as a state recognized scenic byway.

Blanchard Matte, Transportation Planner, Makah Tribe, discussed the tribe's interest in developing tourism. A scenic byway would generate additional tourism for the Olympic Peninsula, benefiting Forks, Port Angeles, Sequim, Clallam Bay, and Neah Bay.

PUBLIC AND LEGISLATOR COMMENT PERIOD

Meta Heller representing Common Ground USA, expressed her concern about the Senate proposal to abolish the Commission. She also indicated that she is concerned about the legislative proposal to allow car dealers to charge for processing the paperwork on car sales.

STATUS REPORT ON 2002 LEGISLATIVE SESSION

Don Griffith, Director, Legislative & Strategic Management Relations reported on the results of the 2002 Legislative session. He specifically discussed the passage of a current law budget; a referendum regarding tax increases for transportation funding, and a

budget to use the revenue if the referendum passes. A public financing bill was approved allowing the second Tacoma Narrows Bridge project to move forward.

Secretary MacDonald stated that the current law budget poses some difficult choices to be made regarding how to make highway construction program reductions of \$45 million.

Secretary MacDonald stated that the Department would develop a work plan for the Tacoma Narrows Bridge and present it to the Commission in April. The legislation recently passed would allow the Department to borrow money through the sale of bonds to fund the project. This provides the Department an opportunity to demonstrate accountability to the public and project delivery.

Secretary MacDonald reported that the proposed new revenue would result in investments for State Highways of \$5.44 billion; while investment in city streets and county roads would amount to \$447 million. Washington State Ferries would receive \$681 million, the Rail Program would receive \$294, and the Public Transportation Program would receive \$820 million. The total amount of investment would be \$7.682 billion. Whether the projects are funded projects will not be decided until the referendum revenue has been voted on, however, continued engineering and design work within current law budget constraints is important.

Paula Hammond, Chief of Staff, described the local government investment levels supported by the new revenue proposal. Cities and counties would receive \$117 million for local freight mobility projects. The direct revenue distribution for cities and counties would be \$75 million. The Main Street Pavement Program would receive \$25 million; the County Corridor Congestion Relief program would receive \$55 million; and the City Corridor Congestion Relief program would receive \$55 million. The Community Economic Revitalization Board would receive an appropriation of \$30 million for investment in rural transportation projects. The School Safety Enhancements program would receive \$15 million. The Main Street Preservation Program will now be for cities under 10,000 population rather than 25,000. Ms. Hammond stated that the Main Street Pavement Program, Rural Economics Vitality program, and School Safety Enhancements Program would continue to be managed by the Department. The Transportation Improvement Board (TIB) would manage the city and county corridors program.

Ms. Hammond then described the new revenue appropriations for Washington State Ferries and for the Public Transportation and Rail program. Washington State Ferries (WSF) auto replacement would be funded by the revenue proposal. Appropriations are made to the transit agencies and the Department to provide replacement monies for the revenue lost in the repeal of the motor vehicle excise tax. In programs such as Commute Trip Reduction, and Rural Mobility, larger appropriations will help achieve some of mobility goals for urban and rural areas. The Department has assured the Legislature and the Legislature is assuring the voters that accountability will

be required as to the use of the appropriated dollars. A Legislative Transportation Accountability Committee will retain existing functions of the Legislative Transportation Committee, as well as the added responsibility for monitoring project delivery. The Committee will report annually to the Governor and Legislature.

John Okamoto, Assistant Secretary for Northwest Division, discussed the proposed regional financing of transportation projects. The regionalism program, if adopted by the voters, would provide up to \$7.7 billion over a 10-year period. The program would allow Pierce, King, and Snohomish counties to create an investment district to raise taxes to help finance major state highway programs. Up to 10% of the funds could be used for other road projects based on criteria and a match requirement. One third of the money would have to come from local government with a total cap of one billion dollars for local projects. The county council for each of the three counties would operate together as a single body with a weighted vote based on population, to develop a plan for the ballot and to fund the projects designated.

Mr. Okamoto reported the revenue sources that are allowed would generate a maximum rate of 7.7 billion dollars over ten years. The sources are: annual vehicle fee sales, use tax totals, and commercial parking.

Mr. Okamoto indicated the funding program would sunset when the projects are finished. A provision allows for Sound Transit's unused tax authority to be put on the ballot. The bill also allows for counties outside King, Pierce, and Snohomish counties to apply for grants up to \$200,000 to develop their own regional model.

RECOGNITION OF HELGA MORGENSTERN, ASSISTANT SECRETARY, ADMINISTRATION & SUPPORT DIVISION

Commissioner Marr introduced Helga Morgenstern, who is retiring from the Department. Commissioner Marr stated that during his term of service he has found Ms. Morgenstern has been the voice of reason. Commissioner Marr thanked Ms. Morgenstern for her support of the Commission. Commissioner Marr read a letter to Ms. Morgenstern from the Commission and Secretary MacDonald. Ms. Morgenstern indicated that she is leaving with no regrets, with a good management team in place. Commissioner Davis thanked Ms. Morgenstern for being flexible in responding to Commission direction. Commissioner Maher thanked Ms. Morgenstern for explaining how the budget works and how the legislative world works. Commissioner Barnes thanked Ms. Morgenstern for her work for the Commission and giving guidance about the financial aspects of the Commission. Commissioner Forner recalled that she and Ms. Morgenstern worked together as long ago as 1989, when Commissioner Forner was serving in the Legislature.

CENTRAL PUGET SOUND HOV LANES VARIABLE HOURS OF OPERATION EVALUATION

Secretary MacDonald informed the Commission that the Democratic members of the House Transportation Committee had sent a letter requesting the Commission and Department review the policies governing the operation of the high occupancy lanes.

Charlie Howard, Director, Planning and Policy Office, discussed a proposed work plan for the study. The plan provides for strong and continuous public and stakeholder involvement. By June 2002, data will have been assembled, presented and commented upon. Choices will be presented to the Commission in pro and con format with stakeholder involvement.

Toby Rickman, State Traffic Engineer indicated that the first task of the study is preparation and presentation of data. It is necessary to obtain data showing how HOV lanes perform and their relationship to adjoining general-purpose lanes, to review prior environmental and interagency agreements and to identify safety issues. The Department will review the prior environmental and mitigation agreements, as well as review of operational assumptions, used in prior National Environmental Policy Act and State Environmental Policy Act processes. Additional environmental review is required if a change in HOV operational policy is recommended.

Mr. Howard indicated a need to measure public perception, and provide a way for the public to participate in a review of the survey data. The Department has received letters from HOV lane users and non-users. The suggestion was made to put the study data on an Internet web site and make the information available for public comment.

Mr. Howard discussed the development of options for public comment. Examples of options that might be explored include nighttime opening, weekend openings, changes to HOV lane operations during incidents, and selective flexibility based on local conditions. Implementation issues for change options would be provided to the Commission. Some of the issues that the Department is thinking about are efforts to change freeway operational characteristics, safety and enforcement implication, cost implication, and air quality and noise implications. A short background briefing will be prepared for each parameter. The recommendations will include a discussion of the policy and operational issues and a recommendation, together with indicated strategy requirements to be considered prior to any action by the Commission.

Commissioner Davis asked how to get the HERO program \$150,000; the cost of a full-time equivalent employee to answer the phone and send out letters. Currently the program is responding to only 20% of the contacts because there is no staff to answer the phone and send out letters. Secretary MacDonald reported that a HERO spending plan would be discussed next month.

Mr. Howard indicated that task one and two will be completed as promptly as possible and made available to stakeholders and the public. The product expected to take

the longest time to complete, is the safety and operational analysis. The current schedule is for the study to be completed no later than May 31, 2002.

It was moved by Commissioner Davis, and seconded by Commissioner Maher, to approve the work plan. The motion passed unanimously.

ENVIRONMENTAL MANAGEMENT SYSTEM PROJECT

Don Nelson, Director, Environmental and Engineering Programs, reported the status of the efforts to develop and implement an environmental management system (EMS) at WSDOT that meets certification requirements of the International Standards Organization (ISO). The purpose of the project is to prepare for the implementation of an EMS that embraces the entire Departments' program functions. The project was initiated as a result of a conversation that the Secretary of Transportation had with the Director of Ecology about a series of violations of regulations and areas of concern that the Department of Ecology had regarding fieldwork. The Department has a clear assignment from the Secretary to improve the environmental performance of the agency.

Carol Lee Roalkvam, Co-Program Manager for Regulator and Compliance, indicated that the Department has completed several important documents in preparation for planning for the EMS. The Department has a signed environmental policy statement that states the Department implement and maintains an EMS that embraces all Department program functions. EMS is a comprehensive and systematic approach to environmental management that leads to increased efficiency and a reduction in cost and liabilities. EMS will be integrated into the safety management system for Washington State Ferries. The Department has completed the environmental policy and completed a gap analysis. EMS aligns with the Blue Ribbon Commission on Transportation's recommendations, and is integral to the Transportation Permit Efficiency and Accountability Committee's goals and products. EMS focuses on compliance, improves environmental performance, and sets measurable goals, structures, and continual improvements. The Department has a lot of these in place and is and working on getting the rest in place.

Secretary MacDonald asked if the Department had any citations from the Department of Ecology in the summer's construction. Ms. Roalkvam indicated the Department did not have any that she knows of. Secretary MacDonald asked how that compares to how the Department performed last year. Mr. Nelson indicated that the Department had one citation last year.

The Commission meeting recessed at 5:20 p.m. on March 20, 2002.

The executive session of the Washington State Transportation Commission was called to order at 8:00 a.m., March 21, 2002, in Room 1D22 of the Transportation Building in Olympia, Washington.

The regular meeting of the Washington State Transportation Commission was reconvened at 9:00 a.m. on March 21, 2002, in Room 1D2 of the Transportation Building in Olympia, Washington.

WASHINGTON STATE FERRIES PASSENGER-ONLY AND AUTO FERRY PROGRAMS

Mike Thorne, WSF CEO, discussed the history of Washington State Ferries (WSF) passenger-only ferry service. The passenger-only service began in 1985 when WSF adopted a long-range plan to accommodate growth in the Bremerton and Vashon-Southworth corridors through passenger-only ferry services. The Department moved forward and purchased the Tyee, as a pilot project. Passenger-only service was viewed as a low cost supplement to auto ferry service during commute peaks and an alternative to auto ferry service during off-peak service periods. After a successful pilot, a proposal to exchange eight hours per day of auto ferry service for continuation of passenger-only ferry service was found to be unacceptable to the Bremerton community. In 1989, two additional boats were purchased, the Kalama and Skagit. Bremerton service was then halted due to a legislative funding impasse. The Department loaned the passenger-only vessels to San Francisco to ease traffic congestion resulting from earthquake damage. In 1990, service to Bremerton resumed and service to Vashon began. In 1993, the Commission adopted the passenger-only ferry implementation plan. The 30-35 minute crossing with 45 minute headways were set as goals. In 1998, the Chinook was delivered. In 1999, the Snohomish was delivered. With these two boats, high-speed service began for the Bremerton route.

Mr. Thorne indicated that 95% of the budget goes to auto ferry service and 5% goes to passenger-only ferry service. Ninety-seven percent of fare box revenue comes from auto ferry tickets, and 3% from passenger-only customers. Fare box recovery for the auto ferries is 71%, while passenger-only ferries generate a fare box recovery of 38%. Mr. Thorne indicated he was seeking input from the Commission regarding long-term financing and his commitment is to be back before the next biennium with a plan.

Mr. Thorne indicated that in 1989 the west corridor study developed a long-term vision regarding the needs for cross sound travel. It identified Kingston-Seattle and Southworth-Seattle as promising routes. In 1991, the Legislature directed the Commission to evaluate and determine the location of new passenger-only routes. In 1991-1994 the Commission completed the evaluation and directed WSF to proceed with design and permitting processes for passenger-only terminals at Kingston and Southworth. The Commission in 1993 adopted the passenger-only implementation plan. In 1998, Referendum 49 was passed. Voters approved a transportation initiative that included funding for five new passenger fast ferries and new passenger-only terminals at Kingston and Southworth. In 1999, the Legislature eliminated the Motor Vehicle Excise Tax (MVET), thereby eliminating the revenue stream for passenger-only ferry expansion.

and significantly impacted revenues of existing service. WSF halted design of a new terminal and vessels in December 1999. In response to the repeal of the MVET, the Commission's 2000 budget proposal eliminated all passenger-only ferry service effective July 1, 2000. The Legislature ultimately funded passenger-only ferry service from the Multi-Model account. In 2000, the Legislature created the Joint Task Force on Ferries (JTFF), to establish a long-term goal for recovery of operating costs from fare revenue, options for further cuts in ferry service, full or partial restoration of ferry service cuts, feasibility of full or partial privatization of the ferry system, public-private partnerships, or state and local partnerships, and establishing the short-term and long-term capital needs of the WSF system. It was recommended that WSF continue to provide the reduced level of service funded in the 1999-2001 supplemental budget through 2001-2003, including passenger-only service. The JTFF also recommended that WSF should recover 80% of operating cost from fare box revenue. In 2001, the Legislature funded the 2001-2003 passenger-only program at existing levels. In 2002, the Governor's proposed Current Law Budget proposal did not include funding for passenger-only beyond the current biennium. The Legislature approved current law funding for the existing passenger-only ferry program at existing levels in the current biennium and in the six-year plan. The new law transportation budget identifies funding for an expanded passenger-only program.

COMMISSIONER REPORTS

Commissioner Niva reported that she attended the TEA 21 Reauthorization Committee meeting. The Committee has had three meetings and plans on having one more. The Committee has been reviewing issues, and developing potential recommendations.

Commissioner Forner reported that during the past month she has been doing a lot of driving on the state highways, and wanted to let the Department know what good job it is doing with pass signage and maintenance work. She also reported that she attended the Wenatchee Valley Council meeting. The Council is trying to organize into a Metropolitan Planning Organization (MPO) and has developed budget and staffing plans. She also reported that she attended the Quad-Co RTPPO meeting, and participated in an Economic Development and Transportation Committee meeting. She indicated that she met with Dave Dye regarding Alaska Way Viaduct.

Secretary MacDonald reported an interim appointment to replace Helga Morgenstern. Judy Giniger will be acting Assistant Secretary for the Administration and Support Division.

Commissioner Barnes reported that he is working on the I-5 Partnership, which is having public meeting regarding its recommendations.

Commissioner Kargianis reported that he attended the Executive Committee for

the I-405 project, and has been discussing Amtrak reforms with Jim Slakey, Public Transportation and Rail Director.

Commissioner Davis reported he observed and drove HOV lanes while on vacation in Phoenix. The HOV lanes don't connect between freeways and no one was using the lanes during off-peak hours. He referred to a March 8 AASHTO Journal article regarding a program in Great Britain to track mileage and charge a tax based on the mileage of the vehicle. He announced that on May 29 there would be a conference on Value Pricing in Bellevue, which starts at 8:30. The conference is sponsored by the Puget Sound Regional Council. The agenda will be distributed soon.

Commissioner Marr reported that he attended a presentation at the Washington Association of Engineer's meeting. Commissioner Marr asked Mr. Rose to work with the Secretary's Office to update the Commission's public outreach overhead presentation.

The Commission meeting adjourned at 11:30 p.m. on March 21, 2002.